

FISCAL NOTE

Bill #: SB0205

Title: Increase aviation fuel tax by 1 cent

Primary

Sponsor: Walter McNutt

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
State Special Revenue	\$335,000	\$335,000
Revenue:		
State Special Revenue	\$335,000	\$335,000
Net Impact on General Fund Balance:	\$0	\$0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. Revenue is based on FY 1998 actuals (\$336,995), i.e., one cent of tax equals \$335,000 per year.
2. Of the amount of aviation fuel tax collected from the scheduled passenger air carriers, 25% must be deposited into a pavement preservation account. One cent aviation fuel tax collected from scheduled passenger carrying airlines = \$150,000. Air carriers currently pay one cent per gallon, so the amount for pavement preservation will be equal to 25% of the two-cent total tax paid by the air carriers, if SB205 is enacted. 25% of revenue collected from air carriers (.25x300,000=75,000) is to be placed into a pavement preservation grant account for the airports served by these air carriers.
3. Proposed Executive Budget submission reduces program by 1.00 FTE or \$39,126 in personal services and \$49,450 in operating expenses for a total reduction of \$88,576 in FY2000 and \$39,000 in personal services and \$49,582 in operating expenses in FY2001 for a total reduction of \$88,582. The Aeronautics Division requests this FTE and operating dollars be reinstated.

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4. In addition, the division requests 1.25 FTE (previously cut) to be used to increase a current .75 FTE administrative support by .25 FTE to a full 1.00 FTE and to add a 1.00 FTE program specialist to the Safety and Education Bureau. Total FTE dollars = \$32,897 in FY 2000 and FY 2001.
5. With the reinstatement and expansion of the following programs: air search and rescue training and program, winter survival training, flight safety, aviation scholarships, building repairs, and equipment replacement, the division would add to its FY 2000 budget \$117,927 in operating expenses and \$20,600 in equipment and in FY 2001 an additional \$112,521 in operating expenses and \$26,000 in equipment.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
FTE	2.25	2.25
<u>Expenditures:</u>		
Personal Services	\$72,023	\$71,897
Operating Expenses	167,377	162,103
Equipment	20,600	26,000
Grants	<u>75,000</u>	<u>75,000</u>
TOTAL	\$335,000	\$335,000
<u>Funding:</u>		
State Special Revenue (02)	\$335,000	\$335,000
<u>Revenues:</u>		
State Special Revenue (02)	\$335,000	\$335,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	\$0	\$0

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Airports served by the scheduled passenger air carriers certified under 14 CFR part 121 or 135 will benefit with the pavement preservation program created by this act. Monies in the form of grants will be made available to these airports for financial assistance in preserving airport pavement, thereby reducing the need for city/county funds in this area.

LONG-RANGE IMPACTS:

Airports served by the scheduled passenger air carriers certified under 14 CFR part 121 or 135 will benefit from the pavement preservation program created by this act. Pavements that may not be maintained due to local funding shortages will be maintained through the availability of these new grants adding to the life of airport pavement.

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Programs to be increased or reinstated with these additional funds include air search and rescue program and training, winter survival training, flight safety instruction, teacher workshops and state-owned airports. In addition, matching funds to complete federal projects will be generated, a roof repair at the division office will be completed and replacement equipment will be purchased. Benefits to the entire Montana aviation community will be realized through the overall efforts and programs geared toward aviation safety and training.

TECHNICAL NOTES:

If passed, SB205 will be submitted to the electorate for approval under CI-75. The costs associated with the election for the bill will be contained in the fiscal note for the companion bill, SB206.